

This leopard is purring along

Nkwe Platinum is part of the next wave of mid-level platinum producers committed to creating a fully integrated BEE-controlled platinum mining company on the Bushveld Complex in South Africa. By **Wally Graham**

Emerging platinum play Nkwe Platinum is gathering momentum as it resolutely carries out its strategy of the acquisition, exploration, development and commercialisation of mid-level platinum group metals (PGM) and associated base metal projects in the Bushveld Igneous Complex of northeastern South Africa.

Platinum is a metal in demand as an essential material in many modern industries. Estimates suggest around 20% of products used or purchased by the world's consumers either contain platinum or use it in production of others.

The total demand for platinum falls into eight separate categories: with use in catalytic converters and spark plugs in the automotive industry the major demand source (60%). It is also used in jewellery, as a general catalyst in chemical processing, for high temperature and non corrosive wires and contacts in electronics, in the glass industry, for equipment and reconstruction in dental work, and as bullion and coins in minting world currencies.

Nkwe (which means leopard) has core platinum projects covering the eastern and western limbs of the Bushveld Complex, which is the virtual centre of the PGM universe with over 80% of the world's resource sourced from the area.

The company's main projects are the flagship Garatouw project within the fast developing Eastern Limb and the De Wildt project located within the traditionally mined Western Limb.

Acquisition of the Garatouw project comprising the platinum farms of De Kom and Garatouw, from black economic empowerment (BEE) group Genorah Resources, was completed in the early part of 2007.

Under the terms of the acquisition Nkwe



Nkwe director Maredi Mphahlele.

paid Genorah a signing fee of \$100,000 on the granting of prospecting rights and issued Genorah with 63 million shares. Nkwe will issue Genorah a further 63 million shares on the establishment of a JORC-compliant resource of 20 million ounces.

Garatouw covers 3300 hectares and is 20km from the town of Burgersfort. It is down dip of Anglo Platinum's Modikwa joint venture and Implat's Marula operation.

Nkwe recently entered into an 18-month exclusive option to acquire a 59% interest from its BEE partner Genorah Resources in three farms with a total area of 7200 hectares directly south of Garatouw being Eerste Geluk, Nooitverwacht and Hoepakrantz, which are contiguous with the company's farms at De Kom and Garatouw.

"The five Genorah farms allow Nkwe to conduct a feasibility study on developing two mines at the Garatouw and Eerste Geluk farms with a combined annual targeted production of one million ounces platinum group metals and gold," Nkwe Platinum executive director Peter Landau told *RESOURCESTOCKS*.

"The farms are also well positioned, being located within an established mining district that has sound infrastructure either in place or under construction, including power, water, communications and sealed roads."

Nkwe considers its farms have the location, size and scope to become a substantial, stand-alone platinum operation that will eventually consist of two mines, a concentrator and a smelter.

The Genorah farms are already in an advanced exploration stage with an aggressive resource definition program that has 10 drilling rigs, which have already produced extremely encouraging results.

The resources definition program, which forms part of the current feasibility study, has confirmed the presence of both the Merensky and UG2 Reefs on the farms, Garatouw, Eerste Geluk 327KT and Nooitverwacht 324KT.

Nkwe aims to define an estimated target mineralisation of 100-150 million in situ ounces over the properties based on the known Merensky-UG2 reef characteristics of adjacent mining operations.

"Given the long-term assessment regarding the price of PGMs over the next 10 to 15 years, both the Merensky, with its lower-grade, but flexible mining methods, and UG2 reefs, which has high-grade, transitional eastern bushveld shaft, reef drivers, will be evaluated in mining feasibility studies," Landau said.

A previous drill program carried out by Nkwe at Garatouw on the Merensky and UG2 target areas recorded intersections over similar widths to the Modikwa and Marula mines. The Merensky Reef assays significantly exceeded the company's expectations, averaging 7.1 grams per tonne PGE and gold over 70cm. The grades reported for UG2 averaged 6.6gpt PGE and gold over 85cm, varying from 73cm to more than 107cm.

On the southern farms under option, more than 13,000m of diamond core has been drilled to date with the Merensky reef outcropping at surface with an average PGM plus gold grade of 3gpt over 213cm. The UG2 reef is averaging 8.3gpt over 75cm and is about 250m below the Merensky reef.

In conjunction with the assay results, Nkwe also completed the interpretation of a detailed aerial magnetic survey, through

GAP Geophysics. The results from this survey indicated the area is characterised by dyking and potholing, albeit modest by Eastern Bushveld standards. Potential iron-rich ultramafic pegmatite (IRUP) activity is similarly modest with stratigraphic markers appearing to follow the topography of the area with no obvious evidence of dip-faulting.

Because the Merensky and UG2 reefs have exhibited a high degree of continuity, both along strike and down dip, independent consulting firm SRK was able to outline a potential mineral resource for each based on the grades and widths of neighbouring reefs, and surface areas showed Nkwe has potential equity ounces (discounted for mining) of 26Moz at the northern Garatouw farms and 40 million equity ounces on the three adjacent southern farms.

The De Wildt project, comprising 2300ha in the Western Limb of the Bushveld, is Nkwe's most advanced exploration project. Located 10km east of the town of Brits and the Barplats Crocodile River mine and adjacent to Eland Platinum, De Wildt contains a potential strike length of more than 6km with a confirmed 2.3km UG2 outcrop with potential for openpit mining.

Nkwe considers the De Wildt project to be extremely well placed for consolidation in the area as it has an inferred JORC resource of 4.4Moz at 3.4gpt and a favourable 3.5:1 platinum to palladium prill split, which is favourable for Nkwe, especially with Xstrata looking to expand capacity at the recently-acquired Elands mine.

With the 10 drill rigs onsite, Nkwe is aiming to establish significant JORC-SAMREC compliant resources on the five Genorah farms from February 2008 onwards. Given the known geology and mining operations adjacent to Nkwe on the same reefs (Marula and Modikwa), mining feasibility studies are being run

contemporaneously with the drilling program.

The fast-tracked program should result in Nkwe securing a strategic partner to join the company in financing and developing the five Genorah farms in the first half of 2008. **RS**

nkwe platinum at a glance



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Market Capitalisation

\$120 million (at press time)

Major Shareholders

Doull Consolidated

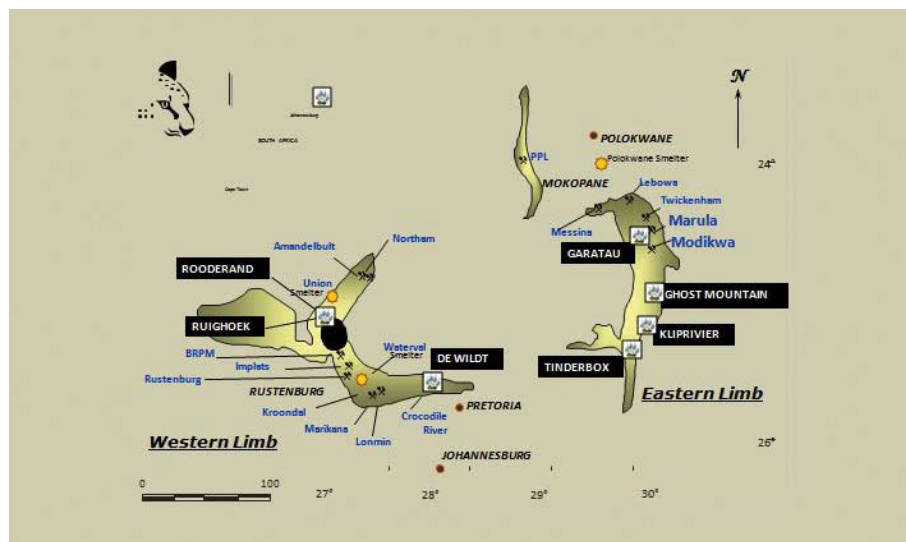
(Genorah) 34.71%

ANZ Nominees

(Include BAC Platinum Fund 10%)

22.49%

Credit Suisse Securities 4.93%



Nkwe also has an option over a further two farms down dip of the southern Hoepakrantz and Nooitverwacht farms.